

Sample

Mark-to-Market OMHAR Regional Office to Owner re: Determination of Ineligibility

Form 6.4

From: OMHAR Regional Office
To: Owner
Transmission: Overnight Hard Copy - With Evidence of Receipt
Date: _____
Project Name: _____
FHA Number: _____ REMS ID Number _____
Section 8 HAP Contract Number: _____

Dear: (Owner)

After a thorough review, OMHAR has determined that the subject property is Ineligible for Restructuring under the Mark-To-Market program. We have discussed our concerns and conclusions with (PAE) and the HUD Hub/Program Center.

The basis for this determination is:

You may appeal this Determination of Ineligibility. Your appeal must be in writing, must be received by OMHAR within 30 calendar days after your receipt of this letter and must contain the factual basis for your appeal. Please be as specific as possible (address comparables used, adjustments made, findings made, etc.) and include appropriate supporting documentation as necessary.

[If the rents have not already been reduced to market and if a Contract is being offered]

Attached is a new Section 8 HAP Contract for Potentially Troubled projects and a Certification of Reduction in Rents. The new Contract will take effect at the expiration of your current HAP Contract (date). The market rents reflected in the new contract are as follows:

0 Bedroom: _____
1 Bedroom: _____
2 Bedroom: _____
3 Bedroom: _____

4 Bedroom: _____

In order to continue receiving Section 8 rent subsidies, you must execute and send the attached Contract and Certification to the HUD Project Manager at least 60 calendar days before the expiration of the current Contract. Your execution of the Contract will not impact any appeal in process. If rent levels are adjusted as a result of the appeals process, the adjustments will be retroactive. Contact your HUD Project Manager (name and phone number) for further information. HUD's execution of the contract is conditioned upon the availability of funds. Please also provide a copy of the executed contract to us for tracking purposes.

If the enclosed Section 8 HAP Contract is not executed and received at least 60 days prior to the Contract expiration date listed above, HUD may be unable to honor your requisitions and may have no choice but to assume that you intend to opt out of the Section 8 Program. In order to begin procedures to provide Section 8 tenant-based assistance to the tenants of this property, you will be given a short-term renewal at market rents in order to comply with the one-year Notice requirements to tenants or to provide sufficient time to process tenant-based vouchers. If your decision is to opt out, we strongly urge you to contact your HUD Project Manager immediately to avoid contract expiration as of the rent expiration date listed above.

OR

[If a Contract is not being offered.]

—
HUD has decided to provide future Section 8 assistance directly to the tenants. Contact your HUD Project Manager (name and phone number) for further information.

Sincerely,
OMHAR Regional Director

cc: OMHAR HQ
PAE
HUD Multifamily Hub or Program Center